

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



FILED

6-02-14
04:59 PM

Solar Turbines Incorporated,
Complainant

C1406004

vs.

San Diego Gas & Electric Company
(U902E),

Defendant

Complaint
(Rule 4.2)

COMPLAINANT	DEFENDANT
<p>Solar Turbines Incorporated Attn: Frank F. Chiang, P.E. Principal Facility Electrical Engineer PO Box 85376, MZ-SPIC San Diego CA 92101 T-858-694-1856 Email: Chiang_frank-f@solarturbines.com</p>	<p>San Diego Gas & Electric Company (U902E) Attn: Megan Caulson, Regulatory Tariff Manager 8330 Century Park Ct., CP-32C San Diego CA 92123 T-858-654-1748 Email: MCaulson@SemptraUtilities.com</p>

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

(A)

Solar Turbines Incorporated

COMPLAINANT(S)

vs.

(B)

SDG&E

DEFENDANT(S)

(Include Utility "U-Number", if known)

Case Number _____

(for Commission use only)

(C)

Have you tried to resolve this matter informally with the Commission's Consumer Affairs staff?

☒ YES

☐ NO

Has staff responded to your complaint?

☒ YES

☐ NO

Did you appeal to the Consumer Affairs Manager?

☒ YES

☐ NO

Do you have money on deposit with the Commission?

☐ YES

☒ NO

Amount \$ _____

Is your service now disconnected?

☐ YES

☒ NO

COMPLAINT

(D)

The complaint of (Provide name, address and phone number for each complainant)

Name of Complainant(s)	Address	Daytime Phone Number
<i>Please see attached letter.</i>		

respectfully shows that:

(E)

Defendant(s) (Provide name, address and phone number for each defendant)

Name of Defendant(s)	Address	Daytime Phone Number
<i>Please see attached letter.</i>		

(F)

Explain fully and clearly the details of your complaint. (Attach additional pages if necessary and any supporting documentation)

Please see a 4-page letter attached.

(G) Scoping Memo Information (Rule 4.2(a))

(1) The proposed category for the Complaint is (check one):

☒ adjudicatory (most complaints are adjudicatory unless they challenge the reasonableness of rates)

☐ ratesetting (check this box if your complaint challenges the reasonableness of a rates)

(2) Are hearings needed, (are there facts in dispute)? ☒ YES ☐ NO

(3) ☒ Regular Complaint ☐ Expedited Complaint

(4) The issues to be considered are (Example: The utility should refund the overbilled amount of \$78.00):

Please see attached letter.

(5) The proposed schedule for resolving the complaint within 12 months (if categorized as adjudicatory)

or 18 months (if categorized as ratesetting) is as follows:

Prehearing Conference: Approximately 30 to 40 days from the date of filing of the Complaint.
Hearing: Approximately 50 to 70 days from the date of filing of the Complaint.

Prehearing Conference (Example: 6/1/09):	
Hearing (Example: 7/1/09)	

Explain here if you propose a schedule different from the above guidelines.

As soon as possible.

(H)

Wherefore, complainant(s) request(s) an order: State clearly the exact relief desired. (Attach additional pages if necessary)

Please see attached letter.

(I)

OPTIONAL: I/we would like to receive the answer and other filings of the defendant(s) and information and notices from the Commission by electronic mail (e-mail). My/our e-mail address(es) is/are:

chiang-frank-f@solar-turbines.com

(J)

Dated San Diego, California, this 2nd day of June, 2014
(City) (date) (month) (year)

Frank F. Chiang

Signature of each complainant

*Principal Facility Electrical Engineer
Solar Turbines Incorporated.*

(MUST ALSO SIGN VERIFICATION AND PRIVACY NOTICE)

(K)

REPRESENTATIVE'S INFORMATION:

Provide name, address, telephone number, e-mail address (if consents to notifications by email), and signature of representative, if any.

Name of Representative:	
Address:	
Telephone Number:	
Email:	
Signature	

VERIFICATION
(For Individual or Partnerships)

I am (one of) the complainant(s) in the above-entitled matter; the statements in the foregoing document are true of my knowledge, except as to matters which are therein stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

(L)

Executed on _____, at _____, California
(date) (City)

(Complainant Signature)

VERIFICATION
(For a Corporation)

I am an officer of the complaining corporation herein, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to the matters which are therein stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

(M)

Executed on June 2, 2014, at San Diego, California
(date) (City)

[Signature] Principal Facility Electrical Engineer
Signature of Officer Title

(N) **NUMBER OF COPIES NEEDED FOR FILING:**

FILE the original complaint plus 1 copy.

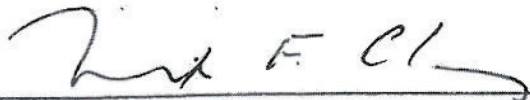
(O) MAIL TO: California Public Utilities Commission
Attn: Docket Office
505 Van Ness Avenue, Room 2001
San Francisco, CA 94102

PRIVACY NOTICE

This message is to inform you that the Docket Office of the California Public Utilities Commission ("CPUC") intends to file the above-referenced complaint electronically instead of in paper form as it was submitted.

Please Note: Whether or not your Complaint is filed in paper form or electronically, Complaints filed with the CPUC become a public record and may be posted on the CPUC's website. Therefore, any information you provide in the complaint, including, but not limited to, your name, address, city, state, zip code, telephone number, Email address and the facts of your case may be available on-line for later public viewing.

Having been so advised, the Undersigned hereby consents to the filing of the referenced complaint.



Signature

6/2/2014

Date

Frank F. Chiang

Print your name

Principal Facility Electrical Engineer
Solar Turbines Incorporated

May 29, 2014

California Public Utilities Commission
State Office Building
505 Van Ness Avenue,
San Francisco, CA 94102

Attn: Honorable Commissioners

Re: Billing Dispute between Solar Turbines Incorporated and
San Diego Gas & Electric (SDG&E Account No. 0310631737)
CPUC File No: 312693

Dear Honorable Commissioners:

Solar Turbines Incorporated (Solar) requests the Commission's adjudication over a billing dispute between Solar and its electric utility company, San Diego Gas & Electric (SDG&E). The issue is whether Solar's incidental electricity generation from its test cells is subject to departing load charges.

BACKGROUND

As a world-leading manufacturer of industrial gas turbines and related systems headquartered in San Diego, Solar regularly performs development and production testing on turbine engines at its manufacturing and overhaul facilities. The subject account concerns Solar's Kearny Mesa Plant (4200 Ruffin Road, San Diego, 92123), one of Solar's two San Diego manufacturing facilities.

Since 1976, Kearny Mesa Plant has grown to encompass over two dozen test cells. While some test cells are fitted with dynamometers as driven loads, the majority of them are configured to have generators as driven loads. Regretfully, the electricity produced during turbine testing at Solar's Kearny Mesa Plant over the years was "dumped" into huge arrays of load banks and wasted because turbine testing was intermittent and typically of relatively short durations.

After enduring the energy crisis of 2000, we made a commitment to make productive use of that wasted test-cell-generated electricity. In 2001, Solar entered into a Generating Facility Interconnection Agreement (GFIA) with SDG&E and began realizing the ambition of redirecting that wasted electricity to productive uses. The GFIA has allowed

Solar to use portions of that electricity to serve its plant's electric loads and export all excess electricity to SDG&E's electric distribution grid (free of charge). As illustrated in the brief summary below, SDG&E, Solar, and the environment have benefited from this energy-smart arrangement.

Electricity Generated from Solar's Kearny Mesa Plant:

	Nov-02	Dec-02	Jan-03	Feb-03
Test Cell Output (kwhs)	215,450	798,030	1,290,500	191,590
Solar's Plant Use (kwhs)	160,350	309,054	633,900	94,670
Export to SDG&E (kwhs)	55,100	488,976	656,600	96,920

Note: Even with the electricity from the test cells, Kearny Mesa Plant continued to purchase 1,500,000 to 2,000,000 kwhs per month from SDG&E.

THE DISAGREEMENT OF THE PARTIES

Rather than recognizing this great improvement in turbine/generator system efficiency, where 100% of the generator output was wasted but now powering productive equipment in Solar's facility and other SDG&E's customers, SDG&E has been billing Solar "departing load charges" on the portion of "test-cell-generated electricity" that was consumed in Solar's plant.

Solar contended that the "test-cell-generated electricity" in question was exempted from "departing load charges" per SPECIAL CONDITION 3(a) of SCHEDULE CGDL-CRS, which states, in part:

Customer Generation Departing Load also does not include nor would any portion of the CGDL-CRS apply to:

(a) Changes in usage occurring in the normal course of business resulting from changes in business cycles, termination of operations, departure from the Utility service territory, weather, reduced production, modifications to production equipment or operations, changes in production or manufacturing processes, fuel switching, enhancement or increased efficiency of equipment or performance of existing Customer Generation equipment, replacement of existing Customer Generation equipment with new power generation equipment of similar size, installation of demand side management equipment or facilities, energy conservation efforts, or other similar factors.

THE INFORMAL COMPLAINT PROCEEDING

Solar brought the subject issue to the commission's consumer affairs branch (CAB) earlier this year after the parties failed to resolve the issue despite repeated attempts. In a letter dated April 1, 2014, responding to Solar's informal complaint to the commission, SDG&E practically cited the whole SCHEDULE CGDL-CRS, including SPECIAL CONDITION 3(a), but still insisted that Solar operated "customer generation," which

reduced Solar's electricity purchase from SDG&E, therefore the application of Customer Generation Departing Load Cost Responsibility Surcharge was warranted.

Rather than being alarmed by SDG&E's disregard of SPECIAL CONDITION 3(a), Mr. Wayne Price of CAB, in a letter dated April 18, 2014, notified us that he was closing the referenced complaint. Mr. Price's reasoning reportedly was simply, "San Diego Gas & Electric Company has informed CAB that they have contacted you (*Solar*) and they have addressed and resolved your (*Solar's*) concerns." Our appeal (by phone) to Mr. Harold Williams of CAB for a thorough review of the informal complaint investigation was greeted courteously. But we were advised to file a formal complaint as the matter warranted an administrative law judge's hearing.

THE ISSUE

The issue here is not whether Solar has "customer generation" and "departing load." Instead, the issue is whether Solar's "**apparent departing load**" is among those that are specifically exempted from Customer Generation Departing Load Cost Responsibility Surcharge as specified in SPECIAL CONDITION 3(a) of SCHEDULE CGDL-CRS.

EVALUATION OF FACTS

CPUC Decision D.03-04-030 issued on April 3, 2003, and SDG&E's SCHEDULE CGDL-CRS were the result of a due process, which included public hearings, etc. To resolve this dispute, the Commission simply needs to establish the facts and verify if the terms and conditions of the rate schedule were applied correctly.

The apparent "Customer Generation Departing Load" in this particular case can be summarized as follows:

Test Cell 16-4 at Solar's Kearny Mesa Plant was designed with a generator as driven load for conducting performance tests on the "Taurus 60" turbines, which have output rating of roughly 5MW. Prior to June 2001 when Solar signed a Generating Facility Interconnection Agreement (GFIA) with SDG&E, the electricity generated during turbine testing was dissipated into load banks. Since load banks are large arrays of resistor elements with large fans forcing cooling air through them, not only the 5MW output was dumped to the atmosphere as waste heat, we had to consume roughly 100kW of power for the cooling fans.

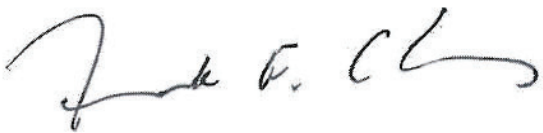
Since June 2001, each time turbine testing was conducted in Test Cell 16-4, all the electricity generated has been going to productive uses either in Solar's plant or exported to SDG&E while avoiding the need to consume 100kW of cooling fan power. The portion of the generated electricity that was consumed in Solar's plant is what SDG&E deemed as "Customer Generation Departing Load."

CONCLUSION & REQUEST

The reconfiguration of Solar's test cell generator output, diverting 100% of the otherwise wasted electricity from the load banks to the electric grid, was a tremendous **enhancement or increased efficiency of equipment or performance of existing Customer Generation equipment** as covered by SPECIAL CONDITION 3(a). As such, **Customer Generation Departing Load does not include nor would any portion of the CGDL-CRS apply to Solar's "apparent departing load."**

We trust that the commission will conclude that the referenced account, through which SDG&E has been billing Solar for departing load charges, was not warranted, and will order SDG&E to (I) cease further billing of the account in question and (II) refund past billings on this account in accordance with CPUC approved rules.

Respectfully submitted,



Frank F. Chiang, P.E.
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